

House Engrossed  
**FILED**  
**KEN BENNETT**  
**SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Forty-ninth Legislature  
Second Regular Session  
2010

CHAPTER 320

# HOUSE BILL 2450

AN ACT

AMENDING SECTION 9-511.01, ARIZONA REVISED STATUTES; RELATING TO CITIES AND TOWNS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 9-511.01, Arizona Revised Statutes, is amended to  
3 read:

4 9-511.01. Water and wastewater business; rates; procedures

5 A. A municipality engaging in a domestic water or wastewater business  
6 shall not increase any water or wastewater rate or rate component, fee or  
7 service charge without complying with the following:

8 1. Prepare a written report or supply data supporting the increased  
9 rate or rate component, fee or service charge. A copy of the report shall be  
10 made available to the public by filing a copy in the office of the clerk of  
11 the municipality governing board at least thirty days before the public  
12 hearing described in paragraph 2.

13 2. Adopt a notice of intention by motion at a regular council meeting  
14 to increase water or wastewater rates or rate components, fees or service  
15 charges and set a date for a public hearing on the proposed increase that  
16 shall be held not less than thirty days after adoption of the notice of  
17 intention. A copy of the notice of intention showing the date, time and  
18 place of the hearing shall be published one time in a newspaper of general  
19 circulation within the boundaries of the municipality not less than twenty  
20 days before the public hearing date.

21 B. After holding the public hearing, the governing body may adopt, by  
22 ordinance or resolution, the proposed rate or rate component, fee or service  
23 charge increase or any lesser increase.

24 C. Notwithstanding section 19-142, subsection B, the increased rate or  
25 rate component, fee or service charge shall become effective thirty days  
26 after adoption of the ordinance or resolution.

27 D. Any proposed water or wastewater rate or rate component, fee or  
28 service charge adjustment or increase shall be just and reasonable.

29 E. Rates and charges demanded or received by municipalities for water  
30 and wastewater service shall be just and reasonable. Every unjust or  
31 unreasonable rate or charge demanded or received by a municipality is  
32 prohibited and unlawful.

33 F. FOR RESIDENTIAL PROPERTY OF FOUR OR FEWER UNITS, A MUNICIPALITY  
34 SHALL NOT REQUIRE PAYMENT OF UNPAID WATER AND WASTEWATER SERVICE RATES AND  
35 CHARGES BY ANYONE OTHER THAN THE PERSON WHO THE MUNICIPALITY HAS CONTRACTED  
36 WITH TO PROVIDE THE SERVICE.

37 G. FOR RESIDENTIAL PROPERTY OF FOUR OR FEWER UNITS, A MUNICIPALITY  
38 SHALL NOT REFUSE SERVICE WITHIN THE MUNICIPALITIES SERVICE AREA FOR THE  
39 UNPAID WATER AND WASTEWATER RATES AND CHARGES TO ANYONE OTHER THAN THE PERSON  
40 WHO THE MUNICIPALITY HAS CONTRACTED WITH TO PROVIDE THE SERVICE.

APPROVED BY THE GOVERNOR MAY 11, 2010.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 12, 2010.